



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



(A.I.B.P.A.R.C.)

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Circular no. 42-22

Date: July 20, 2022.

For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates and Members and different Constituents of CBPRO.

Dear Comrade,

**Sub: Our letter to all the negotiating parties--
IBA and different Unions and Associations.**

We reproduce hereunder the text of our letter written on date on the above referred subject along with enclosures for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar
General Secretary.

Encl: :As stated.

AIBPARC/ IBA/UFBU/Email/2022.

Date: July 20, 2022.

To

All The Negotiating Parties---IBA and Negotiating Unions and Associations.

Sirs,

**All About a Bank Pensioner -
An honest attempt to Awaken the Conscience of the
Negotiating Parties.**

We wish to place before your Conscience the grave Injustices heaped on us, the Elder Citizens of the Banking Industry who carried on the Mission of Socialization, Ruralisation and Globalization of Banking Services with a perfect blend of Professionalism and Pragmatism. But unfortunately, we are thrown out of the purview of even legal entitlements, let alone improvements in the Pension Scheme. To give credence to this unholy



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game, a facade of Negotiations is being displayed now after procrastinating the same for decades, be it --

1) **Ex gratia amount to Pre-January 1986 Retirees (No such Retiree of the age of 96 or more is likely surviving now and in case of Surviving Spouses, mainly Lady Spouses who are easily above the age of 85).**

2. **100Percent DA Compensation to Pre-November 2002 Retirees and**

3. **Updation of Pension from 1992 to 2017.**

4. **Medical Insurance/ Benefit.**

5. **Unscientific Special Allowance Component in 10th and 11th Settlements to close the case for Pension Updation forever by making its impact on updation negative thereby leading to reduction in pension on successive updation.**

6. **Pension to Resignees with Pensionable Qualifying Service.**

1. **Ex gratia to Pre 1986 Retirees:**

Ex-gratia amount is given to Pre 1986 Retirees who unfortunately missed the benefit of Pension Settlement due to the Cut-off date being 1st January 1986. If anybody is surviving now such a person is above the age of 96. Even if their Spouse is surviving, he or she should be above 85. Their number is much less than one thousand. Those surviving are almost of the age of the Grand Moms of the members of the Negotiating Team on either

side. **We are at a loss to find as to Where has the Human Heart gone? Still Busy in Heartless arithmetic's? This one decision should have been instant and immediate.** But alas, calculations have become more important, head counts have become more critical and crucial so that the outgo can be made near Zero if it is delayed further depriving largely the Female Spouses of Deceased Pensioners that too when the Nation is proudly waiting to Celebrate the Election of the First Tribal Woman as our President. **Will your Conscience Wake up at least Now and rush to the rescue of those very few Spouses of Pre 1986 Retirees who were left out of the benefit of the Bank Pension Scheme?**

2. **100 Percent DA Compensation to Pre-November 2002 Retirees:**

Let not the issue of Pre-November 2002 Retirees be confused by coining a new phrase of "**some improvements in Pension**". **They are legally entitled both for Uniform DA Compensation as well as Periodical Pension Updation with every Wage settlement.** Uniform DA Compensation was denied to them unlawfully ignoring the provisions of both the Pension Settlement as well as 8th Bi-partite Settlement/ Joint note. Hon'ble Supreme Court never disowned the principle of Nakara Judgment where it stated very clearly that Pensioners are a homogeneous class by themselves and that there cannot be an Artificial classification with in that homogeneous group and more importantly also held that Pension is not a bounty but a Deferred Wage. The Hon'ble Court unfortunately got into the arithmetic's of the Ratios of the DA Slabs between Pre-November 2002 Retirees vis a vis Post 2002 Retirees. It also went into the Wage Load factor whereas D A component never was a component of the Cost Sheet of any Settlement as future D A is subject to Price Index fluctuations and hence both are not Predictable and not determinable too at the time of Wage settlement. It was pertinent to note that the Hon'ble Bench did pose a question during the arguments that it was not a fact that Inflation hit equally harsh every one irrespective of their dates of retirement. The judgement also stated that **Cost is not material to the Issue.** Unfortunately, the Judgment did not go by the Actual Prayers of the Petitioners but took solace by supposedly erroneously concluding that Pre-November 2002 Retirees also would be fairly compensated in a phased manner going by the Ratios of D A Slabs. Individual Petitioners with limited resources and vis-a-vis the Banks with enormous resources which are generated by their own



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Employees and Officers use those resources against their own Employees and Officers with contempt and impunity. **It is thus a legal battle between two Unequals.**

It was agreed by both the Negotiating Parties to the Settlement in 2015 Record Note that as the matter was Sub judice, the Issue of DA to Pre-November 2002 Retirees could not be considered. Matter Sub judice is always an alibi to deny the rightful claims of the Bank Pensioners ignoring the much pronounced and emphasized Senior Citizens Policy of the Government. Many of the Settlements were and are challenged in the past by the disagreeing Individuals and Organization but those Settlements used to be always implemented for the larger good of the Employees and Officers despite such Settlements being "Matter Sub-judice". **Then why this exception in respect of the uniform rate of DA to Pre-November 2002 Retirees only in the 2015 Record Note and now taking advantage of Court Judgement denying again the same to Pre-November 2002 Retirees? When Uniform DA is given to Government Pensioners and RBI Pensioners why only Bank Pensioners should be condemned to this Deprivation?**

The number of such Retirees are Halved due to Deaths and those surviving are in the age group between 80 and 95 except a few Special VRS cases. In fact, by wrongfully denying the Uniform DA to Pre-November 2002 Retirees from 2005 consequent to the 8th Bi-partite Settlement/Joint note, the DA Arrears due to Pre-November 2002 Retirees so accumulated is huge. Everyone should search their conscience to find within themselves whether they have been considerate and fair to their own Ex colleagues, quite a few of whom should be in the age group of their Parents. Please Awaken your Conscience and grant the Uniform DA to the most disadvantaged Pensioners who are subjected to Double Jeopardy by not getting Uniform DA Compensation and Pension Updation as well. **Any further delay in rendering justice to them on this count will only mean that Justice Delayed is Justice Denied. Justice is already delayed too far. Now it is time to atone and get their Blessings.**

3. Pension Updation:

We recently came across a Video Post in the social media where one of the Leaders of the Negotiating Team of Unions and Associations loudly announced his ignorance about the clear Statutory Provision in the Pension Regulations for Updation. Ridiculing the existence of Regulation 35 (1) duly amended in 2003 clearly speaks of Ignorance and arrogance openly displayed. **We Quote "Basic Pension and Additional Pension wherever applicable shall be updated as per Formulae in Appendix 1" unquote.** This is a huge improvement over the 1995 Pension Regulation which only spoke about Updation for those who retired between 1st January 1986 and 31st October 1987. The year 2003 amendment to Regulation 35 (1) is comprehensive and conclusive clearly directing the Banks to compute and notify the formulae at the time of each periodical wage revision being done for Government Pensioners and also for RBI Pensioners. The Government also improved the Pension Revision Formula with every Pay Commission Recommendation in line with the Hon'ble Supreme Court Judgement that Wage Revision and Pension Revision are inseparable and the Basic Pension should not be less than Fifty percent of the corresponding Pay Scales in the respective grade one retired. Regulation 56 directs a reference to Government Pension Rules and Schemes in case of any doubt in the Implementation of Pension Scheme in the Banks.

The above amendment has gone through the process of consultation with RBI as per the Banking Companies Acquisition & Transfer of Undertakings) Act, duly passed by Bank Boards, with the previous sanction of Government of India and published in the Official Gazette of Government of India.

As per the Pension Regulations, shortfall if any as per Actuarial Estimates should be provided to the charge of Profit and Loss Account of the Banks like Salary and provisions for NPAs.

Rather, provisions for Salary and Pensions (a Deferred Wage) should take precedence over Regulator's (RBI) guidelines regarding provisions for NPAs. Moreover, pensions have not come free for us. It has come in lieu of CPF surrendered by the Pensioners along with interest at the time of implementation of the Pension Scheme in the banks and surrender of CPF by those in service as is the case with Government and RBI Pensioners.



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If the Negotiating Parties have doubt in the Provisions of Bank Employees Pension Regulations and refuse to invoke the provisions of Regulation 56, then we are constrained to suspect the very Credibility of the very process of the ongoing Negotiations in respect of Residual Issues where Pension Updation is now shown as second item for Negotiation. **If both the parties are so keen to resolve the Pension Updation Issue, there is no need to take the Negotiation Route about this issue as it is already a settled issue by way of a clear provision having been made by amending the Pension Regulation 35(1) in March 2003.** This amendment has made the updation of pension a certainty, open-ended and universal in nature. The process of making the pension regulations including the amendments was the result of Pension Settlement between Officers Organisations and Unions on the one hand and IBA on the other and Sub Committee meetings, discussions and minutes thereafter.

Accordingly, Regulations were framed, Updation of Pension was given to Retirees who retired between 1st January 1986 and 31st October 1987 by adopting the formula which then existed for Government Pensioners. **To make the same Universally applicable, the Government headed by Statesman, Visionary Hon'ble Prime Minister Late Atal Bihari Vajpayee ji amended the Regulation in 2003 so that Pension Updation could be done Periodically along with Wage Revisions for all.**

The decision should be to implement the Updation Regulation 35 (1) as done in respect of all other Regulations. Though some of those Regulations are detrimental to the interest of Pensioners like the Regulations bringing Pensioners under Disciplinary Proceedings even after Retirement despite the judgement of the Hon'ble Supreme Court in the case of UCO Bank to the contrary. But mysteriously Only Regulation 35(1) on Updation is not yet implemented in line with Government and RBI Formula. When **Late**

Shri R N Godbole, General Secretary, AIBOC sought some improvements immediately after signing the Pension Settlement, the IBA categorically wrote back to him stating that Pension in Banking Industry was on the lines of Government and RBI Pension Scheme and hence no improvement was possible (Copy of letter enclosed). Having stated so, why now Updation is denied when regularly Pension to Government Pensioners is updated with improvements in the Formula with every Pay Commission Recommendation and to RBI Pensioners the Updation is restored from 1st March 2019 by notifying the updation factor for three wage revisions which is known as RBI Formula.

We are also enclosing the Letter of Shri J D Sharma, Vice President, AIBPARC to the Petitions Committee of Parliament (Rajya Sabha) which will make it abundantly clear that Pension Updation is Our Vested Legal Right and Our Legal Entitlement.

So, what is the Negotiation about now? Is it to rewrite the Pension Regulation? Or is it to Undo Pension Updation Regulation 35 (1) amended in 2003 which has Periodical Pension Revision as it's objects and reasons? Or fragment the Bank Retirees into Very Old, Old, Somewhat Old and So on? Is it so in the Government or RBI? We are unable to comprehend this analogy/questionable strategy between the negotiating parties!!

Instead of Negotiation, what should be pointedly asked now is as to what has happened to the Report of the IBA's Internal Committee appointed more than a year back and what prevented the IBA to submit the report to Hon'ble Supreme Court within the stipulated time by the Hon'ble Supreme Court which is already over in April 2022.

The parties to the Appeal should have got the copies of the Report by now. Instead IBA is taking advantage of the adjournments to not to submit the report.

Or, alternately both of you should now ensure granting of Updation and make the judicial proceedings pending in the Hon'ble Supreme Court infructuous.

Ironically the Negotiating Parties are time and again harping on Actuaries Estimations citing astronomical figures for provisioning and nobody wants to contest the Actuaries figure which is arrived at with unacceptable



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assumptions about life span of the Retirees as 82 and not at all taking into account the huge surplus available in the Pension Funds even after meeting the Updation Cost. When Second Option was conceded in 2010, the Actuaries showed the need for huge Provisions but when it was contested by the Associations and Unions it was drastically reduced and Second option was considered. **Then Why now this deafening silence and meek acceptance of Actuaries figure by the Negotiating Parties?** Is it to frustrate the rightful aspirations of the Retirees by fair or foul means? **There could not have been a more favourable environment now than ever for implementation of Regulation 35 (1) regarding Pension Updation when no less than the Hon'ble Finance Minister Smt Nirmala Sitharaman ji openly exhorted the. M Ds and CEOs of Banks in the AGM of IBA in 2020 to consider the issues of Bank Pensioners and treat them as members of the same Family as being done in the Military. Please don't fritter away this opportunity. Instead of trying to find ways and means as to what not to do, please try to ensure Justice as provided in the Pension Regulations 35(1).**

4. Group Medical Insurance Scheme:

You have managed Free Medical Benefits for All Retired M Ds and E.Ds. You have also ensured Free Group Medical Insurance Scheme for Serving Employees and Officers. But then how come Retirees are left out to their fate to pay unaffordable premiums through Government communication that did not stipulate payment of premium to be borne by the Retirees? Now giving cosmetic changes to the scheme in the guise of giving relief to the Retirees is unacceptable. **Retirees who are aged require greater relief and coverage. Cosmetics Suggestions by you are yet another blow to Retirees. In short, Group Medical Insurance**

Scheme has to be at least identical to that of Serving Employees and Officers, both in coverage and absorption of premium by the Banks.

5. Special Allowance Component:

This has effectively reduced the Basic Pension of Retirees to much less than 50% of their Pay and an attempt to make Updation a futile exercise in future for those Retired after November 2012 and All Future Retirees who are still in service and being rightly or wrongly represented by you.

If you are so concerned about Post 2010 Recruits, why did you bring them under NPS? Why did you agree to the introduction of NPS in 2010 Wage Settlement)? Now please don't take shelter citing " Matter Sub judice " as some of those Pensioners have been compelled to file Writ Petitions in various High Courts. **Not reckoning Special Allowance Components for Terminal Benefits has happened only in the Banking Industry. Indeed, a very peculiar development defying all logics, legality and rationale.** It is not that we are questioning your right to negotiate. But then you cannot now cite that as a reason not to help resolve our issues by mentioning that now you have to rush to the rescue of the interest of NPS Employees and Officers. It is time to introspect.

6. Pension to Resignees with Pensionable Qualifying Service:

Despite repeated Judgements by Hon'ble Supreme Court in respect of Vijaya Bank Pensioners and other Individual Pensioners, still the benefit of the judgement is not passed on to all the similarly placed persons. **Their number is again less than Four thousand. When can they expect delivery of Justice?**



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We request you to touch your Conscience and concede. If Bank Pensioners are an unwanted baggage to you, please say so. But please don't suffocate and strangulate us. We have addressed this common letter to all of you, IBA and Negotiating Unions and Officers Organisations as you speak the same language, on the same page and have taken the same stand. **We Fervently hope, at least Now You Will Stand by Us and also with the Regulations and render justice early.**

As Your Elders, We Pray for You. God Bless You.

Yours Faithfully,

(K V Acharya)
President AIBPARC
Joint Convener CBPRO

Suprita Sarkar
General Secretary, AIBPARC

Encl: 1. Copy of IBA Letter to Late Shri R N Godbole

2. Petition of Shri J D Sharma, Vice President, AIBPARC to the Petitions Committee of Parliament (Rajya Sabha)